

1 In short, there seems to me to be no justification
2 for the FCC's June 2 decision to allow one company in our
3 largest cities to own up to three TV stations, the daily
4 newspaper, eight radio stations, the cable system and the
5 internet sites affiliated with all of these.

6 If the decision stands, I believe fewer and fewer
7 large corporations will control more and more of our media.
8 And I believe we could expect lower standards, less
9 attention to local interest and talent, and a dramatic
10 decline in the diversity of public voices we hear, see and
11 read. I think this would be bad for our democracy. That is
12 why I have been a part of ongoing efforts in Congress to
13 reverse the 3-2 decision of the FCC.

14 I want to make a second point quickly, but with no
15 less passion. There are important elements to diversity in
16 media other than just the issue of whether local groups or
17 national corporations own the bulk of our media outlets.

18 One element that is extremely important to my
19 constituents and to me is the lack of racial minorities in
20 the media ownership. This issue was addressed eloquently by
21 Commissioner Adelstein on July 22nd in his speech delivered
22 to the Minority Media and Telecommunications Council. I
23 agree with the Commissioner that the FCC's new ownership
24 rules would likely make, quote, "the situation for
25 minorities and new entrants go from bad to worse", close

1 quote.

2 Despite representing more than 29 percent of the
3 U.S. population, minority broadcasters own only four percent
4 of the nation's commercial stations, a decline of 14 percent
5 since enactment of the Telecommunications Act of 1996; and
6 1.9 percent of the nation's commercial television stations.

7 In a report and order released by the FCC on July
8 2, 2003 and published in the Federal Register on August 5,
9 2003, the FCC stated, quote, "that encouraging minority and
10 female ownership historically has been an important
11 Commission objective and we affirm that goal here", close
12 quote.

13 Both because I think minority ownership is
14 important and because I believe minority ownership best
15 promotes a diversity of viewpoints, I simply want to
16 encourage the FCC to make -- to take this objective
17 seriously and make a real commitment to it.

18 Enough said on this issue. I thank you again, Mr.
19 Chairman, for being here. I hope you enjoy this great city,
20 and I'm delighted to have you in the 12th Congressional
21 District of North Carolina.

22 (Applause.)

23 CHAIRMAN POWELL: Thank you, Congressman Watt.
24 Congressman Price, please.

25 CONGRESSMAN PRICE: Thank you, Mr. Chairman. Let

1 me add my welcome to you and other members of the Commission
2 for holding this, the first of your nationwide hearings on
3 localism and license renewal here in North Carolina. We
4 welcome you and we appreciate the effort you have made to
5 take this show on the road, and to start out in this
6 community.

7 In a way this discussion tonight we'll continue
8 the discussion we had at Duke University in March with
9 Commissioners Copps and Adelstein when the issue was
10 localism as it pertained to media ownership.

11 I'm happy to see many familiar faces here tonight
12 from the Triangle area of North Carolina. We've known for a
13 long time how important local media are to our communities,
14 but I must say we hardly anticipated how loudly this issue
15 would resonate across the political spectrum.

16 I remember from my short-lived career in radio in
17 one of those one thousand watt stations that sprang up in
18 the 1950s, how stations were required to document their
19 local programming and public service at license renewal
20 time. Most of these rules are no more. But the need to
21 ensure the local media meet the needs of their communities
22 remain.

23 The license renewal process is an important part
24 of that, I believe, but it can't do the job alone. Network
25 executives can't do that from their corporate offices in New

1 York either. Rather, local broadcasters have a day-to-day
2 responsibility. These broadcasters are responsible for
3 programming that covers and engages their local communities.

4 Indeed, they're often at their best when they compete with
5 each other in providing such coverage.

6 Viewers and listeners have told us in overwhelming
7 numbers how much they value this local orientation and want
8 it encouraged, not smothered.

9 Localism is partly about who owns television and
10 radio stations, but it's also about how broadcasters
11 determine their programming, programming that adheres to
12 their community standards, not the standards of some reality
13 TV producer in Los Angeles or some Dixie Chicks bashing
14 political operative in Washington.

15 Just look at radio. We're living in a world where
16 one or a very few companies can control most of the stations
17 we listen to. Many local stations these days are
18 essentially run by remote control. Post-1996 deregulation
19 has not been kind to localism and radio. Why on earth would
20 we want to see television go down that same path?

21 Diversity in media isn't about 200 flavors on
22 cable or on satellite TV or radio. It's about the diversity
23 and the independence of our media, media that reflect the
24 standards and needs of our communities.

25 Americans have made their voice heard in this

1 debate and I expect we'll hear a good deal more of that
2 tonight. My thanks to the Commission for making this
3 exchange possible.

4 And, Mr. Chairman, if I might, in a demonstration
5 that concern for localism does in fact cross party lines,
6 I'd like to ask that a fine article recently from **The**
7 **Charlotte Observer** be included in the record by former
8 Senator Jesse Helms and Representative Richard Burr entitled
9 Keep Control of TV Local.

10 (Applause.)

11 CHAIRMAN POWELL: Thank you very much,
12 Congressman. I'll be happy to submit that for the record.
13 At this point I'd like to ask the secretary of the FCC to
14 please announce officially tonight's meeting.

15 SECRETARY DORTCH: Thank you, Mr. Chairman. Good
16 evening to you, Commissioners, panelists and special guests.
17 The following are the procedures for today's Localism Task
18 Force public hearing. We will utilize a time machine to
19 maintain time limits on each presentation. Each panelist
20 will have a total of three minutes to make their individual
21 presentation.

22 The green light will signal for the first two
23 minutes of your remarks. When the yellow light signals,
24 you'll have one minute remaining. At that time you should
25 sum up your presentation and closing remarks. The red light

1 signals the end of your allotted time. Please conclude your
2 remarks at that time. Thank you.

3 CHAIRMAN POWELL: Thank you, Madam Secretary. Let
4 me take a second to explain to the audience exactly how the
5 program will proceed before we get started.

6 The first panel will offer their testimony, and as
7 they are speaking, all members of the public are invited to
8 write down any questions you may have for the panelist on
9 notecards. You'll find those notecards in the packets you
10 picked up when you came in.

11 Those cards will be collected and delivered up
12 here and we'll pose as many of the questions to the
13 panelists as time permits. In addition, my colleagues and I
14 may take the opportunity to ask questions of the panelists
15 as well.

16 Following the first panel we will have an open mic
17 period, and all members of the audience are welcome to offer
18 comments or ask questions of the panelists directly. We'll
19 then take a short break, and the second panel will make
20 their presentations, again followed by questions from the
21 bench and written questions from the audience.

22 So without further ado we should get started with
23 our first panel, and let me please ask Mr. Keelor to provide
24 your opening statement. Welcome and thank you for being
25 with us.

1 MR. KEELOR: Thank you, Mr. Chairman,
2 Commissioners. My name is Jim Keelor; I'm president and COO
3 of Liberty Corporation based in Greenville, South Carolina.
4 Liberty owns fifteen television stations, including WIS, the
5 NBC affiliate in Columbia, and WWAY, the ABC affiliate in
6 Wilmington. Our other markets run from 50 to 180.

7 I started out in broadcasting 36 years ago as a
8 local reporter, so I think I've seen the industry from the
9 ground up and I'm grateful for the opportunity to share some
10 of the experiences of how a television station serve their
11 local markets.

12 Shortly after beginning work at one of our
13 stations, every new Liberty employee received from me a
14 personal letter and that letter begins, quote, "we here at
15 Liberty are very serious about our commitments to the
16 communities we serve", end quote. And while there are too
17 many examples of this commitment to describe here, I would
18 like to mention just a few of those station efforts.

19 First, as most of you know, the Carolinas have an
20 unfortunate history of hurricanes and other severe weather,
21 and over the years both WWAY and WIS have dedicated
22 thousands of hours to covering these storms, most recently
23 Hurricane Isabel.

24 Liberty has invested millions of dollars in state-
25 of-the-art weather tracking equipment and other technology

1 which help us to broadcast localized emergency warnings and
2 report on the community recovery efforts. We have also
3 organized fundraisers to help those families who were
4 victims of the storms.

5 Liberty's stations also devote a substantial
6 amount of free air time to covering local politics. WWAY
7 and the North Carolina Broadcasters Association have a 25-
8 year history of producing debates among statewide political
9 candidates. WIS produced and aired live debates before both
10 the primary and general elections for governor in South
11 Carolina in 2002.

12 Prior to that general election WIS aired live
13 interviews during its top-rated evening newscast with 18
14 candidates for federal and statewide offices, and profiles
15 of eight different key issues in the races for the U.S.
16 Senate and governor, all at no cost to the candidates.

17 Our stations also recognize their special place in
18 the community as a source of education and culture. For
19 example, WWAY provided special programming on the debut and
20 opening of the new Cameron Art Museum in Wilmington, and a
21 thirty-minute special just before that museum opened.

22 WIS, for its part, recently launched a terrific
23 new program called "A Class Act" which helps teachers in
24 South Carolina equip their classrooms with needed supplies
25 in the face of government cuts in educational funds.

1 Commissioners, we think it's important for you to
2 understand that Liberty is not unique in its commitment to
3 localism. It's what broadcasters must strive to do. Local
4 stations understand that given their unique place in the
5 community, it is important and a necessity for them to be
6 good corporate citizens.

7 But we also know that in this era of six
8 nationwide TV networks, 80 cable channels, high-speed
9 internet, and all the other sources of information out
10 there, we must differentiate ourselves if we're going to
11 attract and hold the attention of our viewers. The best way
12 for us to do that is to be involved in our communities, be
13 responsible and responsive to the concerns of our local
14 audience. That is something Liberty Corporation learned a
15 long time ago, and it is the main reason we've been able to
16 survive and flourish as a group of stations located in small
17 markets for so many years.

18 Again, thank you for this opportunity. I'll be
19 happy to answer any questions from the Commissioners or the
20 audience might have.

21 CHAIRMAN POWELL: Thank you very much, sir. Ms.
22 Debbie Kwei, General Manager of WCHH.

23 MS. KWEI: Thank you and good evening. My name is
24 Debbie Kwei and I'm the General Manager of WCHH, 92.7 here
25 in Charlotte. We are a member of the Radio One family which

1 serves local markets with a large African-American presence.

2 Having lived in Charlotte since 1988, I was
3 thrilled when WCHH hired me three years ago as it set out to
4 bring a unique urban format to my local community. I'm
5 delighted to speak to you today on the subject of localism
6 because I'm proud of the achievements WCHH has made in
7 reaching out to the African-American community in Charlotte.

8 First I'd like you to know that Radio One came to
9 the Charlotte area because of its large and growing African-
10 American population of over 300,000 residents. Before
11 WCHH's arrival, 92.7 FM had been an exclusively oldies
12 station with a significantly smaller minority following than
13 it enjoys today.

14 Welcoming the addition of our station to the
15 market, the local arts and entertainment tabloid, Creative
16 Loafing, gave us its best format change award for 2001.
17 Rather than having to turn to national cable outlets like
18 MTV or BET, Charlotte's many urban music fans can tune into
19 one of three very local radio venues in fulfilling their
20 musical interests.

21 The urban radio heard in Charlotte is not the same
22 as that of Los Angeles or Detroit. We regularly invite
23 listeners to our offices and ask for feedback about our
24 programming. We combine their input with other research to
25 help us know which artists, whether national or local,

1 Charlotte's urban music fans want to hear. Through this
2 process WCHH creates a format that reflects the particular
3 musical tastes of southern urban listeners.

4 For example, in addition to popular national
5 artists, we are always excited to air local urban talent, as
6 we have done with a young North Carolina artist named
7 Sherica. Because of her local appeal, I doubt people in
8 other cities can hear Sherica as often as they have done on
9 WCHH.

10 WCHH also airs a weekly program called Heat From
11 the Street which exclusively features local artists. To
12 find other new acts that appeal to our listeners, station
13 program directors in Charlotte will meet with
14 representatives of independent labels weekly.

15 By attracting a larger music following, WCHH is a
16 perfect outlet for speakers wishing to reach the local
17 African-American community, whether on issues of personal
18 well-being or during local emergencies like recent Hurricane
19 Isabel.

20 Seizing upon these opportunities is our Life
21 Improvements for Everyone Campaign which tackles six issues
22 per year that are a particular concern to the African-
23 American community.

24 For example, in the upcoming campaign WCHH will
25 run public service announcements with the local American Red

1 Cross Chapters to inform listeners about the low supply of
2 minority bone marrow donors and opportunities for free bone
3 marrow testing for minorities.

4 To be sure the local Red Cross has the attention
5 of our listeners, we will air stories about the sister of
6 popular urban artist Nelly who is suffering from leukemia.

7 This month for breast cancer awareness, we asked
8 representatives from the local clinics to speak on the air
9 about the need for regular detection measures.

10 In airing these and other public service messages
11 we could not reach Charlotte's African-American community if
12 we hadn't first met our locality's particular interest in
13 urban music. Thus, localism for us is learning and catering
14 to the listening interest of our local target audience
15 working with the community on important issues of public
16 concern, and providing an outlet for local artists.

17 Thank you very much for your time. I look forward
18 to hearing your questions.

19 CHAIRMAN POWELL: Thank you very much, Ms. Kwei.
20 Our next panelist is Tift Merritt.

21 MS. MERRITT: Hi, my name is Tift Merritt. I'm a
22 major label recording artist. And if you haven't ever heard
23 of me, it's because I'm not on your radio. I've brought my
24 record if you want to pass them out; I'd appreciate it.

25 Time Magazine named my debut the number six record

1 of 2002; Billboard called me a major new artist; CMT
2 regularly played my music video. Here's my spread in Vanity
3 Fair and I was on David Letter- -- I'm legit, and I'm not
4 here to complain that I'm not the queen of the radio.

5 I'm here because I'm a North Carolina musician;
6 I'm a North Carolina businesswoman. Everyone in my band is
7 from North Carolina. The support of my North Carolina fans
8 has really allowed me to accomplish what I have, so you're
9 looking at local.

10 And when I was invited to speak today, I was told
11 that today's debates are about localism, not about
12 ownership. As a local, I want to make it clear that any
13 conversation about localism without regard to media
14 ownership is absolutely avoiding the heart of this issue and
15 certainly cannot render a sincere solution.

16 (Applause.)

17 I only have three minutes, so I'm going to cut you
18 off. In Fortune magazine the president of Clear Channel,
19 Lowery Mays, I am not attacking him; I'm saying what he
20 said. He said that his company is not interested in music,
21 in songs, in DJs; they sell advertising.

22 I'm here today because I'm very distressed that
23 the FCC feels comfortable allowing the public airwaves to
24 rest in the hands of people who admittedly do not care about
25 content. The airwaves are public; the airwaves serve the

1 public, not a corporate bottom line, and this is where
2 localism begins.

3 In North Carolina I've sold as many records as
4 people like Toby Keith and Alan Jackson. My local country
5 affiliate knew about this. People called in and requested
6 me. And because I'm local, and a lot of them told me about
7 it. And you would think that because I was making such
8 major inroads nationally that the station would have been
9 thrilled to support me. Not once.

10 And, in fact, the people who called in were told
11 by the DJs that the DJs wanted to play me, but management
12 was going to have to change the programming.

13 And on top of that, when this issue came to light
14 earlier this spring and received some publicity, the station
15 said well, it's because Tift's record company didn't contact
16 us, which was absolutely, probably the truth because my
17 record company, who I have a wonderful relationship with,
18 did make the decision that they were not going to spend a
19 lot of money on an expensive radio campaign.

20 Do you understand what that means? It costs money
21 to get on the radio. And, you know, these executives are
22 really smart, but they're not smart enough they want me to
23 pay it back, so they put it on my royalty statement of what
24 I'm financially responsible to them for. So it's, you know,
25 it's there.

1 I think in my instance I don't understand how the
2 airwaves can be a place of healthy competition. For
3 example, radio conglomerates claim that programming is
4 localized, and I don't see how this can be true in this
5 case. And deregulation proponents claim that the airwaves
6 are public. But how, when a station disregarded listeners
7 in the signal range, how can that be true?

8 I want to make it very clear that I'm a realistic,
9 small businesswoman and that I was locked out of competition
10 and isolated from my main line to my audience. The fewer
11 the radio station owners, the fewer and the -- the less the
12 concern about content. The more monotony on every play
13 list, the more I will be locked out and thousands,
14 thousands, thousands of people like me will be in that
15 situation.

16 And these are people that bring 500 to 2,000
17 people to your main street on any given night. They fill
18 your restaurants, they use FedEx, they use hotels. These
19 are legitimate people who contribute to the economy. But
20 most importantly, they bring their music and they're going
21 to be silenced.

22 Commissioner, the new media rules incorporating
23 clear standards for local programming are important, but
24 local initiative that refuses to recognize the role that
25 concentrated media plays in stifling local voices simply

1 elevates window-dressing over true substance.

2 And in North Carolina if you want to talk about
3 local musicians, you're talking about John Coltrane, you're
4 talking about Roberta Flack, Doc Watson, Max Roach, Earl
5 Scruggs, people who not only made this state unique, but
6 have shaped the heritage of our country and are reknown
7 around the world.

8 If you give young musicians no possibility of
9 making a living, if you give the radio waves to people with
10 no regard for music or localism or content, if you stifle
11 the musical outlets with an unfettered interest in the
12 bottom line, you will scatter not only the next generation
13 of North Carolina talent, but 49 other states worth because
14 they will have to find something more feasible than an
15 instrument to voice their sorrow and their joy.

16 Thank you for your time.

17 (Applause.)

18 CHAIRMAN POWELL: Thank you, Ms. Merritt, for that
19 passionate recitation.

20 MS. MERRITT: I was hoping to be charming, but I
21 didn't know I'd only have three minutes. I was told five.

22 CHAIRMAN POWELL: It was a righteous five, though.
23 Our fourth panelist is Ms. Joan Siefert Rose, General
24 Manager of WUNC-FM. We're very happy to have you here, and
25 please proceed.

1 MS. ROSE: I'm glad to be here, and I'm also very
2 pleased to tell you that Tift Merritt can be heard on WUNC,
3 as well as on many other public stations across the state.
4 It is an honor for those of us down on the left-hand side of
5 the FM band to address the Commission's Task Force on
6 Localism on behalf of noncommercial broadcasters in the
7 state.

8 The topic of the hearing today which is local
9 public service really touches upon my core responsibility as
10 a public broadcaster. I'm sure that most of you here have
11 tuned in to public radio at some point. North Carolina has
12 15 different public radio licensees offering news, public
13 affairs, classical music, jazz, bluegrass, hip-hop, reggae,
14 community service announcements, and reading services to the
15 blind.

16 And we have a combined weekly audience of 1.3
17 million listeners across the state, so it's a significant
18 audience that is reached in North Carolina.

19 One of the licensees is WUNC public radio. We're
20 a news and public affairs service, with bluegrass music on
21 the weekends, licensed to the University of North Carolina
22 at Chapel Hill. We serve 300,000 weekly listeners in 36
23 counties in North Carolina.

24 We don't receive any direct funds from either the
25 university or the State of North Carolina. And in a typical

1 year we receive less than ten percent of our operating
2 dollars from the Federal Corporation for Public
3 Broadcasting. We must rely on the generous support of the
4 local community of listeners to keep us on the air.

5 Therefore, we really do depend on the extent of
6 the service we provide responsive to the needs and interests
7 of our local listeners that we serve.

8 As a public broadcaster, WUNC is an editorial
9 voice that speaks with a North Carolina accent. That is, we
10 live and we breathe the stories we report. Local
11 programming is personally very important to me.

12 I was moved by Congressman Price's discussion of
13 his brief career at a 1,000 watt station, because when I
14 became a broadcast journalist 25 years ago, the industry
15 required each radio station to provide a minimum amount of
16 local news and public affairs. I learned my craft at small
17 stations just like that and practiced it in increasingly
18 larger markets of commercial stations.

19 Although commercial stations no longer face
20 specific local programming requirements, local news and
21 public affairs programming remain the very foundation of
22 public broadcasting.

23 While commercial broadcasters still do perform
24 many valuable services, and is ably documented by the panel
25 here this evening, we are unique in our ability as a non-

1 commercial station to dedicate enormous amounts of our time
2 and resources to creating purely local programming.

3 The FCC can help support the strong local
4 programming on non-commercial stations like WUNC. You can
5 help by protecting the technical integrity of our broadcast
6 signals by enforcing non-interference technical standards in
7 a fair, reasonable and timely manner.

8 I'd like to point out that WUNC recently incurred
9 an expensive and lengthy technical challenge at the FCC
10 against an interfering translator station. I also want to
11 point out that most public stations do not have the
12 financial or legal resources to do so.

13 We very much encourage diverse voices and
14 viewpoints and welcome new broadcasters to the spectrum, but
15 we also want to point out that it should not be done -- the
16 signal should not be at the expense of existing public
17 stations that provide excellent service to listeners.

18 I also wish in closing to pay tribute to UNC
19 television, public television stations serving more than two
20 million viewers every week across the state, and also to the
21 public TV station and the public radio station here in
22 Charlotte. Their stewardship to the community sets a
23 standard that is the envy of public television and radio
24 broadcasters across the country.

25 My fuller statement is being submitted for the

1 record along with a voluminous set of letters from listeners
2 and viewers to the local public -- to their local radio and
3 television stations talking about the service that has been
4 provided, and I thank you very much for this opportunity.

5 (Applause.)

6 CHAIRMAN POWELL: Thank you for your presentation
7 and we'll now allow questions of the panelists. And if you
8 haven't filled out your card, please do so and send them
9 forward. I invite my colleagues to ask any questions they
10 might have.

11 I'd like to start with a question at least for the
12 two commercial broadcasters and I think even public
13 broadcasting would have something to say about it.

14 On the way down in the plane I was reading a
15 number of E-mails that we've already begun to receive at our
16 localism site about this area, and I want to read one
17 criticism and ask a question about it.

18 This local resident writes: "I'd like to state my
19 support for any initiative which allows more local
20 controlled media outlet. The trend has been away from
21 anything local in the way of radio broadcast. Every day we
22 hear about radio stations being bought up by conglomerates,
23 in many cases, American corporations.

24 Who's to say that they're -- what their agendas
25 really are? They certainly don't have local community

1 interest at heart, and the end result is driving out local
2 culture. The corporation's, by necessities, desire is to
3 increase its bottom line, and that's inherently incompatible
4 with local interests."

5 A lot of times that is the sentiment that
6 underlies the tension between commercial or corporate
7 broadcasting and the public interest, that they are in some
8 sense incompatible, that somehow serving the bottom line or
9 being profitable is not consistent with that.

10 And I'd ask all of you to comment on that or offer
11 some dimension to that if you'd like. I'd even be willing
12 to bet that there are broadcasters on the other side who
13 wish to speak to it to answer.

14 MR. KEELOR: Well, I'll attempt to answer that. I
15 think first of all one of the distressful things we see in
16 television in a lot of the small markets is given the cost
17 of competition and operation and particularly with the
18 digital conversion, a lot of small market owners are in
19 financial trouble.

20 That is, they make a profit, but they do not have
21 the kind of resources to invest in the kind of services they
22 might like to have. Those are individual cases. I will
23 speak only to my own company.

24 I am proud to say that if you went into any of our
25 markets, I don't think anyone in the market would know who

1 Liberty Corporation is, and we designed it that way. We try
2 very hard not to be a corporate entity. We are local
3 television stations. Our local managers head the United
4 Way, we do Red Cross blood drives, we do all those things
5 that identifies us in the community.

6 So in Liberty Corporation's -- at least in our
7 situation, I don't think that really applies because in our
8 markets other than the little disclaimer we put up at the
9 end of the newscasts that, you know, owned by Liberty
10 Corporation, which is required by law as identification, no
11 one knows who we are, and we like it that way.

12 We want them to know who the local management, the
13 local talent, the local programming and the local station
14 are.

15 MS. KWEI: Just to kind of follow up on that, I
16 would agree and I think most of the FM broadcast radio
17 stations in the market pretty much do the same thing, and
18 that is we all stamp, if you will, our local stations versus
19 our company headquarters. When we're on the air we speak of
20 our individual stations, not the corporate owners.

21 Just to kind of follow up on what you said, I
22 totally -- I agree with you somewhat and I agree with that
23 person somewhat because I think that there is always, always
24 a striving on our part to do better. I don't think any
25 broadcaster in this room or elsewhere can honestly sit and

1 say that they're doing everything right.

2 On a day-to-day basis we sit and we meet locally,
3 I think our COO and our director of sales nationally meet
4 daily, weekly, trying to figure out ways and find ways in
5 which we can do a better job.

6 Revenue is a big part of what we do. We are
7 commercial radio stations, but at the same time we have a
8 responsibility. In our case we have a responsibility to the
9 community at large, we have a responsibility to the African-
10 American community to uphold certain standards, to follow
11 policies and guidelines set by the FCC, which we all do, and
12 again, we try our best to do it better on a day-to-day
13 basis.

14 So I hear that person loud and clear, and I think
15 it would be very easy for us to sit here and say that that's
16 not true, where what I think we're trying to say is to a
17 certain degree it is true, but we have to do a better job
18 daily in trying to overcome that.

19 MS. ROSE: Even as a public broadcaster certainly
20 we can do more to reflect our local community. However, I
21 think we are naturally aligned in the fact that our
22 contributions and our operating dollars largely come from
23 individual listeners. So to the extent that our programming
24 is responsive to their needs, they will contribute. And if
25 they don't contribute, then we know we are not meeting their

1 needs.

2 We get a report card very quickly on that, so I
3 would say I would agree with the other speakers that we
4 could do more certainly and we intend to as our resources
5 grow and as we meet the needs of listeners we anticipate the
6 contributions will increase.

7 COMMISSIONER COPPS: Let me just ask one question
8 while we wait for the cards, and I'll ask it of Jim Keelor.

9 The right of a local station or an affiliated station to
10 reject a program strikes a lot of people, including me, as
11 integral to preserving localism and this raises its head
12 particularly in the matter of indecent programming that
13 might be contrary to the values of a community.

14 How important is the right to reject and is it a
15 problem for you or for other independent stations that you
16 know of to reject a network feed that you deem unacceptable
17 to the values of the local community?

18 MR. KEELOR: Well, Commissioner Copps, I think
19 you're correct in that the right to reject rule for 50 years
20 the Commission has recognized that as a core of localism and
21 we'd like to see that continued.

22 The dynamics of the network affiliate relationship
23 changed so much that it is more difficult to preempt network
24 programming. But I think you also have to realize that the
25 right to reject rule insists that the licensee is really the

1 sole determiner of the quality and content of a program for
2 the local market.

3 And there are also times when a local program, be
4 it a high school championship, a student debate, a town hall
5 meeting, might take precedent over a network program. And
6 that -- I'm not talking about a news event now, I'm talking
7 about a community event. And I think a station should have
8 the right to reject to do that.

9 In the dynamics that exist today, it is difficult
10 to make that happen and getting more difficult. And I think
11 that's why the affiliated stations group filed a petition to
12 the Commission more than two years ago asking them to simply
13 reaffirm, not create new law, but reaffirmed what has been a
14 fifty year tradition of the right to reject.

15 And the petition is still there and has not been
16 acted on, and I think that if you really want to see
17 something that can drive localism and ensure it for the
18 future, we would like to see the Commission clarify and
19 reaffirm its fifty year support of the right to reject rule.

20 COMMISSIONER ADELSTEIN: Ms. Merritt, you said
21 something that caught my attention. You said essentially
22 that you have to pay for play on radio, that the label or
23 you are forced to pay. That's commonly known as payola.

24 I'm wondering if you understand that's a violation
25 of the law, that --